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Canada Trust
1968

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**1967
annual
report**



**HALTON & PEEL TRUST
& SAVINGS COMPANY**

Head Office OAKVILLE, ONTARIO

Offices

Brampton Burlington Cooksville Milton
Georgetown Simcoe Delhi



HIGHLIGHTS

“Sound, Stable Growth”

	1967	1965	1963
Savings and Term Deposits - - - - -	\$70,387,428	\$48,283,405	\$27,164,953
First Mortgages - - - - -	61,200,121	41,561,704	22,225,428
Bonds and Stocks - - - - -	9,427,639	7,077,248	6,018,971
Estates, Trusts, Agencies - - - - -	9,126,180	5,625,891	1,436,233
Total Assets under Administration -	82,689,006	56,613,802	30,874,605
Capital Paid-in- - - - -	1,840,605	1,628,345	1,535,820
Reserve- - - - -	1,225,000	950,000	600,000
Profits after Taxes - - - - -	417,207	343,615	218,826
Dividends to Shareholders - - - - -	193,919	138,336	91,839

HALTON & PEEL TRUST & SAVINGS COMPANY

BOARD OF DIRECTORS

O. E. Manning *President and Chief Executive Officer*
 Dr. C. A. Martin, W. J. Beatty *Vice-Presidents*
 D. S. McLaughlin *Secretary*
 J. R. Barber, E. Barringham, J. A. Carroll,
 A. G. Clarkson, P. Eng., P. A. Fisher, G. H. Fort, Q.C.,
 J. M. Fraser, E. D. Goulding, Angus McMillan, Q.C.,
 E. M. Milne, J. Pengilley, E. Slacer

OFFICERS

J. S. Beatty, C.A.,	<i>General Manager</i>
G. W. Kennedy, R. B. James,	<i>Assistant</i>
N. E. Little	<i>General Managers</i>
D. S. McLaughlin	<i>Manager, Estates Dept.</i>
G. W. Stoyles, C.A.	<i>Chief Accountant</i>
C. C. Tight, R.I.A., R.C. Black	<i>Mortgage Officers</i>
J. F. O'Drowsky	<i>Pension Officer</i>
L. Skuce	<i>Special Representative</i>

ADVISORY BOARDS

NORTH PEEL

J. A. Carroll
 F. M. Early

W. H. McCaugherty J. R. Racine
 W. C. Lawrence

SOUTH PEEL

G. B. Jackson, Q.C.

A. G. McDermott J. G. Hickey

NORFOLK

G. H. Fort, Q.C.

R. E. Mann

L. S. Culver

D. H. Gilbertson

H. Heath

B. M. Wallace

W. G. Smith

NORTH HALTON

John T. Armstrong

Reford Gardhouse

Maurice C. Beatty

Michael Ledwith

John Goy Dr. B. D. Young

OFFICES

HEAD OFFICE: OAKVILLE, ONT.

BRAMPTON, ONT.

G. Watson Kennedy

BURLINGTON, ONT.

Robert B. James

SIMCOE, ONT.

Gus Takacs

COOKSVILLE ONT.

Norman E. Little

MILTON, ONT.

Donald E. Smith

DELHI, ONT.

GEORGETOWN, ONT.

John A. Edgar

Robert J. Rongits



Report from the President

O. E. MANNING

*To Shareholders, Depositors
and Clients:*

Steady, consistent growth has been the by-word of Halton & Peel Trust & Savings Company since it was incorporated in 1955. The Company has come a long way in the intervening years. Our Savings and Term Deposits on December 31, 1955 were \$714,214 and at the end of 1967 they had reached \$70,387,428. Total Assets Under Administration at the end of that first year were \$1,215,026 and now they have reached \$82,689,006. Profit was \$417,207 for the year 1967, and over all the years since 1955 dividends paid to shareholders have amounted to a grand total of \$873,273.

The above are but a few figures showing the growth and stability of your Company since its inception and it is significant to consider that during these past 12 years of growth the Canadian business community has seen widely varying conditions and widely varying economic weather. Thus the steady progress of Halton & Peel Trust has taken place regardless of the vagaries of business conditions.

With respect to the year 1967 itself, one must remark on the incidence of very high interest rates both in their effect on your Company's cost of acquiring funds and in their effect on revenue from the use of those funds. Despite the high level of these rates the Company has been able to show substantial increase both in Savings and Term Deposits and in First Mortgages. One must not disguise the fact, however, that it is greatly to be hoped that in the next year these rates will gradually decline to more realistic levels.

Some part of the influence toward the high interest rates referred to above came from the revisions of the Bank Act, given effect to in the late Spring of 1967. These revisions further had the effect of granting additional powers to the banks and of allowing them to compete more effectively with trust companies. Despite the advantages thus given the banks, your Company has not only been able to meet this competition but, as pointed out above, has increased its business greatly.

We now look forward to consideration by the respective governments of the Federal and the Ontario Acts governing trust companies. It would be

wise that changes in these Acts be made of a nature to give trust companies new opportunities to serve the public and to increase their influence in the economy as a whole. Furthermore it is important that careful regulation be maintained to assure that any new entrant to the trust industry, no matter how that entry may be attempted, must be able to meet the necessarily high standard of integrity and competence which has made the trust industry the outstanding servant of the Canadian public which it is today.

Another feature of 1967 has been the ability of Halton & Peel Trust to conduct a highly successful issue of shares at a time when security market levels combined with the incidence of high interest rates made this a very difficult thing to do. It speaks well for the reputation of the Company and the confidence placed in its Management and it speaks well for the Company's future that over 99% of the issue was taken up. This brought in to the Company's capital funds a total of over \$400,000.

Now with the growth which has been demonstrated over the years past and looking ahead toward the years to come, planning must be undertaken to keep a proper balance between deposits and capital funds. Consequently your Directors have approved and are recommending for shareholder approval an increase of authorized capital to \$10,000,000 from the present \$2,000,000. It is not the intention to have a new issue of shares at the present time but this action will place the Company in the position to raise additional capital when this may be wise and to take advantage of business opportunities as they may present themselves in the future.

Mr. J. S. Beatty our General Manager will dwell in his report on various aspects of the financial statements and show the recent progress of the Company. I would take this opportunity of thanking most sincerely the men and women in the organization who have contributed so ably to the success of the Company throughout 1967. They and the Management have performed excellent service in the manner in which they have carried out the policy set by the Board of Directors. In turn I wish to express appreciation on behalf of the Directors to the Shareholders for the many evidences of support and encouragement they have given throughout 1967. May I say that it is this ability to work together for the good of the Company as a whole which has produced the results outlined in the first paragraph of this report and which will continue this progress in the years to come.

Oakville, Ontario
February 15, 1968.

O. E. MacCormick
President.



Report from the General Manager

J. S. BEATTY, C.A.

To Shareholders, Depositors and Clients:

1967 was a year of significant evolution in the life of this Company, and just as the Centennial Year was eventful for Canada as a whole, so it became a year of challenge for the Directors, Management and Staff of Halton & Peel Trust.

The essentials of our progress in 1967 include the safety and security of operation which a trust company must have, good growth and profitability. These elements are shown in the following statistics :

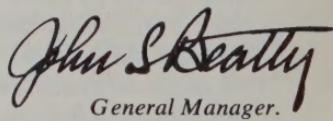
- (a) Share Capital at the year end stood at \$1,840,605, up over \$200,000 in the year. General Reserve stood at \$1,225,000, up \$225,000, and Internal Reserves reached \$1,424,831, up over \$375,000. The total of Shareholders' Equity and Internal Safety Reserves reached \$4,522,728, up over \$800,000 in the year 1967. This was accomplished while paying dividends to Shareholders of \$193,919.
- (b) Total Assets Under Administration reached \$82,689,006 at the year end. Liquidity was well maintained in the total of Cash, Bonds, Debentures and Stocks which stood at \$10,656,200 and in the cash income of principal and interest on Mortgages which now comes in at the rate of over \$600,000 every month. The value of Mortgages at the year end was \$61,200,121 and the collection experience on principal and interest during 1967 was excellent. Two other significant evidences of progress are in the figure of Estates, Trusts and Agencies which reached \$9,126,180 at the year end and the total of Savings and Term Deposits which reached \$70,387,428.
- (c) The Company's profit after taxes reached \$417,207 and this with the proceeds from the issue of shares in November made possible the very large increase in Shareholders' Equity and Internal Safety Reserves noted in (a) above.

Moving now away from statistics and into the concept of Halton & Peel Trust as a living business, here are several highlights of the year in review:

- (a) Interest rates reached their highest levels in a generation and resulted in a narrowing spread between the Company's cost of acquisition of funds and its revenue from employment of those funds. It is reasonable to expect that when interest rates eventually turn down this spread will again widen.
- (b) A new cost has now been added to the Company's operations, that of Canada Deposit Insurance premiums which amounted to \$18,917 in 1967.
- (c) During the year the Company purchased the Simcoe office building, it commenced construction of a new building in Georgetown and it has now begun to move into expanded quarters in Brampton.
- (d) As the business grows there is the necessity for gradual and steady mechanization of our accounting and office procedures. This must begin to be dealt with in the year 1968.

Finally, and most important in all of the events of 1967, was the support and encouragement given the Directors and Management from many different quarters. This support was most significant at the time of the sudden attempt by an outside group to take the Company over. Rumour and sensational publicity was seen for what it was and the faith in the Company remained solid and unshakeable. The support and encouragement given time and again by members of the staffs of all the offices, by depositors and by shareholders in all areas, has been sincerely appreciated and has given evidence of strength and solidarity which will be instrumental in guiding the Company to good progress year after year in the future.

Oakville, Ontario.
February 15, 1968.


John S. Beatty
General Manager.

HALTON & PEEL TRUST & SAVINGS COMPANY
STATEMENT OF REVENUE, EXPENDITURE
AND UNDIVIDED PROFITS
THE YEAR ENDED DECEMBER 31, 1967

	1967	1966
Revenue		
From Mortgages - - - - -	\$4,219,193	\$3,415,090
Bonds, Debentures and Stocks- - -	506,724	447,016
Other Operating Revenue - - - - -	<u>202,153</u>	<u>187,976</u>
Total Revenue - - - - -	\$4,928,070	\$4,050,082
Expenditure		
Interest on Savings Deposits and		
Guaranteed Investment Certificates	3,288,391	2,579,029
Salaries, Pension Fund Payments and		
Staff Benefits - - - - -	457,258	375,161
Depreciation - - - - -	42,907	35,297
Canada Deposit Insurance - - - - -	18,917	Nil
Other Operating Expenditure - - - - -	<u>402,949</u>	<u>346,409</u>
Total Operating Expenditure - - - - -	4,210,422	3,335,896
Profit before Income Taxes and Appropriations - - - - -	717,648	714,186
Provision for Income Taxes on Above Profit - - - - -	300,441	314,154
Net Profit for the Year - - - - -	417,207	400,032
Dividends to Shareholders - - - - -	<u>193,919</u>	<u>163,037</u>
Undivided Profits at beginning of Year - - - - -	223,288	236,995
Premium on Shares - - - - -	48,613	31,809
	<u>208,860</u>	<u>6,120</u>
Undivided Profits at End of Year - - - - -	480,761	274,924
Appropriations		
Transfer to Mortgage Reserve - - - - -	309,310	263,147
Less Applicable Reduction in Income Taxes - - - - -	<u>160,841</u>	<u>136,836</u>
Transfer to Other Investment Reserves - - - - -	148,469	126,311
Transfer to General Reserve - - - - -	75,000	50,000
	<u>225,000</u>	<u>50,000</u>
Total Appropriations - - - - -	448,469	226,311
Undivided Profits at End of Year - - - - -	<u>32,292</u>	<u>48,613</u>

STATEMENT OF GENERAL RESERVE
THE YEAR ENDED DECEMBER 31, 1967

General Reserve at the Beginning of Year - - - - -	- - - - -	1,000,000
Transferred from Undivided Profits - - - - -	- - - - -	225,000
General Reserve at end of Year - - - - -	<u>- - - - -</u>	<u>1,225,000</u>

NOTE: The figures for 1966 in the Statement of Revenue, Expenditure and Undivided Profits have been reclassified for purposes of comparison.

HALTON & PEEL TRUST

BALANCE SHEET

Assets

	<u>1967</u>	<u>1966</u>
Cash - - - - -	\$ 1,228,561	\$ 1,111,497
Bonds and Debentures:		
Canada - - - - -	3,491,338	3,061,698
Ontario and its Guarantees - - - - -	3,112,507	2,431,181
Municipalities - - - - -	1,061,138	1,145,796
Other Bonds and Debentures - - - - -	443,394	273,836
Stocks - - - - -	1,319,262	1,501,484
Loans – secured - - - - -	580,054	482,530
First Mortgages less reserve - - - - -	61,200,121	52,314,583
Office Premises at cost less depreciation - - -	1,023,018	868,443
Other Assets - - - - -	103,433	42,140
 Total Capital and Guaranteed Assets - - - - -	 73,562,826	 63,233,188
 Estates, Trusts and Agencies:		
 Securities, Cash and Other Assets held in trust	9,126,180	6,456,436
 \$82,689,006	 <u>\$69,689,624</u>	

Notes:

1. Bonds and Debentures, none of which are in default, are stated at values which do not exceed the amortized cost.
2. Stocks are stated at an aggregate value not exceeding market value.
3. The liabilities of the Guaranteed Account are fully secured by authorized investments specifically ear-marked and set aside in respect thereof.
4. Under employees' stock option agreements, 1,160 shares have been issued during the year, and 7,205 shares remain under option.

SAVINGS COMPANY

DECEMBER 31, 1967

Liabilities and Capital

Liabilities	1967	1966
Guaranteed Account:		
Savings Deposits - - - - -	\$22,194,562	\$20,652,068
Guaranteed Investment Certificates - - - - -	48,192,866	39,773,672
	70,387,428	60,425,740
Dividend Payable January 15, 1968 - - - - -	55,219	40,795
Estimated Income Taxes Payable - - - - -	22,282	86,295
	70,464,929	60,552,830
Capital		
Capital Stock:		
Authorized:		
400,000 Shares of \$5.00 par		
value each - - - - -	\$ 2,000,000	
Issued and fully paid:		
368,121 Shares (1966 - 326,349 Shares sub- scribed) - - - - -	1,840,605	1,631,745
General Reserve - - - - -	1,225,000	1,000,000
Undivided Profits - - - - -	32,292	48,613
Total Capital and Guaranteed Liabilities - - -	73,562,826	63,233,188
 Estates, Trusts and Agencies Under		
Administration - - - - -	9,126,180	6,456,436
<u>\$82,689,006</u>	<u>\$69,689,624</u>	

Approved on behalf of the Board of Directors:

O. E. Manning
President and Chief Executive Officer

C. A. Martin
Vice-President

W. J. Beatty
Vice-President

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the accompanying Balance Sheet of Halton & Peel Trust & Savings Company for the year ended December 31, 1967. Our examination comprised a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as we considered necessary in the circumstances, and included verification of the cash, bank balances and securities of the Company.

In our opinion, the accompanying Balance Sheet presents fairly the financial position of the Company as at December 31, 1967.

C. K. MacGillivray, F.C.A. } of Chagnon,
Patrick T. Hunt, C.A. } MacGillivray & Co.,
Chartered Accountants

HAMILTON, Ontario
January 17, 1968.

Halton & Peel TRUST & SAVINGS COMPANY

Services

Savings — Chequing (4%)
Savings — Reserve (4½%)

Guaranteed Investment Certificates
are a legal investment for Trust Funds
and may be cashed at par on
the death of the investor

Halton & Peel Trust Investment Funds
Retirement Savings Plans

Safety Deposit Boxes at Oakville,
Brampton, Cooksville, Simcoe
and Georgetown

Estate Planning
Executor and Trustee alone or jointly
Administrator where there is no Will
Trustee of Marriage or other Settlements
Committee of Property of Incapacitated Persons
Standing-by Attorney in case of Illness

Investment Management for individuals
and organizations wishing to be relieved
of the details and responsibilities
involved in looking after their investments

Trustee for Pension and Profit-Sharing Funds
Trustee for Personal Pension Funds
Trustee for Bond Issues
Trustee for Cemetery Funds
Trustee for Municipal Funds

First Mortgage Loans
Real Estate and Property Management
Appraisal Services

Inquiries Invited

SAVINGS

TERM DEPOSITS

INVESTMENTS

ESTATES, TRUSTS, AGENCIES

INVESTMENT MANAGEMENT

CORPORATE TRUSTS

MORTGAGES and REAL ESTATE

"A THOUGHT FOR THESE TIMES"

You cannot bring about prosperity by discouraging thrift. You cannot strengthen the weak by weakening the strong. You cannot help the wage earner by pulling down the wage payer.

You cannot help the poor by destroying the rich. You cannot establish sound security on borrowed money. You cannot keep out of trouble by spending more than you earn.

You cannot build character and courage by taking away men's initiative and independence. You cannot help men permanently by doing for them what they could do for themselves.

ABRAHAM LINCOLN



